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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric  
Company for Approval of 2013-2014 Energy  
Efficiency Programs and Budget (U 39M).

And Related Matters.

Application 12-07-001  
(Filed: July 2, 2012)

Application 12-07-002  
Application 12-07-003  
Application 12-07-004

**RESPONSE OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M)  
TO CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED  
TRANSPORTATION FINANCING AUTHORITY'S PROPOSED  
MODIFICATIONS TO DECISION 13-09-044**

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**I. INTRODUCTION**

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to respond to the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)'s proposed changes to Commission Decision (D.) 13-09-044, *Decision Implementing 2013-2014 Energy Efficiency Financing Pilot Programs* (Decision).<sup>1/</sup> PG&E supports CAEATFA's proposed modifications of and clarifications to the Decision.

The financing pilots have been delayed, but will be launched later this year. The Commission should not further delay the launch of the financing pilots while it considers CAEATFA's requests. PG&E requests that the Commission specify in its proposed decision if any updates to the Decision will preclude launch of a pilot based on existing guidance. PG&E suggests that the IOUs<sup>2/</sup> be allowed to launch the pilots based on existing guidance and that any updates that require further guidance either through the Commission's or CAEATFA's regulatory processes should be incorporated into the operating pilots at a later date.

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<sup>1/</sup> This response is filed pursuant to the *Assigned Commissioner and Administrative Law Judge's Ruling re California Alternative Energy and Advanced Transportation Financing Authority's Proposed Modification to Decision 13-09-044 (Energy Efficiency Financing Pilots)*, dated March 13, 2015.

<sup>2/</sup> "IOUs" refers collectively to the investor-owned utilities: Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas & Electric Company.

PG&E's comments on CAEATFA's proposed modifications are intended to provide further information and help simplify the requested modifications.

## **II. DISCUSSION**

### **A. Scope of Eligible Energy Efficiency Measures (EEEMs)**

The Decision defines Eligible Energy Efficiency Measures (EEEMs) as “measures that have been approved by the Commission for a Utility’s EE rebate and incentive program, although the customer need not get an incentive or rebate to qualify for the loan.” (D.13-09-044, p. 31.) The IOUs published a list of all measures currently available under their rebate and incentive programs consistent with the EEEMs definition. The list in the EEEMs portal<sup>3/</sup> includes every measure approved for each IOU’s Energy Efficiency (EE) programs. Each IOU has a different list of approved measures based on its own programs; the measure list runs into the thousands to ensure it is comprehensive and serves the entire customer portfolio.

CAEATFA proposes two changes to the EEEMs list. (CAEATFA, pp. 3-4.) The first change is to allow individual measures that are part of ‘packages’ (for example, those measures included in the Home Upgrade program), to be eligible individually to participate in the pilots. The second proposal is for a uniform statewide list of EEEMs for the financing pilots.

PG&E supports both proposals because the requested modifications will lead to greater participation in the programs from lenders, contractors, and customers. A simplified list of EEEMs is critical for success in the pilot period and could provide valuable project data that will support the ex-post Evaluation, Measurement and Verification of the financing pilots, provided the list is created timely, rather than at the end of the pilot period. PG&E notes that the findings regarding the amount of energy savings from the pilots, including savings from measures that are financed but do not utilize IOU rebate or incentives programs, will be used to guide program implementation in future program cycles.<sup>4/</sup>

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<sup>3/</sup> <http://eeems.azurewebsites.net/>

<sup>4/</sup> **Workpaper Disposition for PGECOALL110:** Pilots shall be determined on an ex post basis in

PG&E suggests CAEATFA be provided the flexibility to create a simple uniform statewide list of EEEMs that includes measures currently available across all of the IOU rebate and incentive programs. PG&E suggests that the Commission modify the Decision to specify that EEEMs are measures that have been approved for an IOU EE program, either individually or as part of a package, for any of the IOUs' rebate or incentive programs, and have been approved by CAEATFA for inclusion in the financing pilots. CAEATFA could then publish a statewide list of EEEMs based on these guidelines.

PG&E believes that the following changes to Finding of Fact 16 of the Decision will achieve the desired effect:

16. Eligible Energy Efficiency measures (EEEM) are bundles of measures or individual measures that have been approved by the Commission for any Utility's EE rebate and incentive program, either individually or as part of a package of measures.

**B. PG&E Supports CAEATFA'S Recommendation to Allow Lenders to Partially Enroll Loans for Distributed Generation Measures and Also Suggests that Lenders be able to Partially Enroll Distributed Generation in the OBR with Credit Enhancement Pilot**

PG&E supports CAEATFA's suggestion to allow Participating Lenders and Financial Institutions to partially enroll loans for two of the off-bill financing pilots: the Residential Energy Efficiency Loan Assistance Program<sup>5/</sup> (REEL) and Small Business Lease Provider off-bill lease program.<sup>6/</sup> Lenders participating in the OBR pilots should also be able to partially enroll loans for distributed generation measures. For instance, for the OBR pilots, a qualified small business should be able to participate in the OBR for Small Business with Credit Enhancement for energy efficiency and demand response measures,<sup>7/</sup> while participating in the OBR without a credit

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coordination with the ongoing EM&V efforts. Throughout the implementation of the Energy Efficiency Financing Pilots, Commission staff will work with the IOUs to determine data collection requirements that will inform ex ante savings parameters to be developed for future program cycles.

<sup>5/</sup> The REEL Pilot Program was renamed from the Single Family Loan Program, authorized in D. 13-09-044 (p. 32.)

<sup>6/</sup> D 13-09-044, p. 63.

<sup>7/</sup> D 13-09-044, p. 60 and Resolution E-4663, p. 36 (Finding 8).

enhancement<sup>8/</sup> for distributed generation investments. This will support the Commission's goals to reduce barriers for small business customers to participate in energy efficiency programs.<sup>9/</sup>

**C. Government Entities Should Be Eligible Borrowers in the Non-Residential OBR Pilot.**

PG&E agrees with CAEATFA that the Decision authorizes government customers to participate in the OBR for Non-Residential Customers without Credit Enhancement Pilot. (CAEATFA, p. 6; see also D.13-09-044, p. 65.) PG&E notes that the Decision specifies that the pilot at issue is the OBR for Non-Residential Customers pilot, a description that should be interpreted to include government buildings. (See D.13-09-044, p. 65.)

**D. PG&E Supports CAEATFA's Suggested Changes to the OBR Tariffs and Also Suggests that the Decision is Modified to Have the IOUs Submit an Tier 1 Advice Letter**

PG&E agrees with CAEATFA that time is of the essence and appreciates that CAEATFA is looking for opportunities to accelerate the launch of the financing pilots. (CAEATFA, p. 7.)<sup>10/</sup>

PG&E also suggests that the Commission modify Ordering Paragraph 17 of the Decision to require the IOUs to submit a Tier 1 Advice Letter for the information technology (IT) changes necessary to implement OBR, along with updated cost estimates and integration with other projects. The Decision approved the budgets for the finance pilots, including the IT changes required to implement the OBR and EFLIC pilots. (D.13-09-044, p. 95.) Therefore, Tier 1 Advice Letter to describe the updated estimate of IT changes should be appropriate, unless the IOU requests to shift funds from another budget to finance the IT improvements.

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<sup>8/</sup> D 13-09-044, p. 64.

<sup>9/</sup> *Assigned Commissioner and Administrative Law Judge's Ruling Re California Alternative Energy and Advanced Transportation Financing Authority's Proposed Modification to Decision 13-09-044 (Energy Efficiency Financing Pilots)*, March 13, 2015 (p. 1).

<sup>10/</sup> PG&E's OBR rate schedule is posted its website.  
[http://www.pge.com/tariffs/tm2/pdf/ELEC\\_SCHS\\_E-OBR.pdf](http://www.pge.com/tariffs/tm2/pdf/ELEC_SCHS_E-OBR.pdf)

### III. CONCLUSION

PG&E appreciates this opportunity to comment on CAEATFA's proposals and requests for clarification and looks forward to launching the financing pilots in partnership with CAEATFA this year.

Respectfully Submitted,

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